

REMARKS/ARGUMENTS

This communication is filed in response to the final Official Action of June 8, 2006. The final Official Action no longer rejects pending Claims 1-9 and 11-19 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0010659 to Cruse et al., in view of U.S. Patent No. 6,937,992 to Benda et al. Instead, the final Official Action now rejects all of the pending claims, namely the aforementioned Claims 1-9 and 11-19 as well as previously presented Claims 59 and 60, under 35 U.S.C. § 103(a) as being unpatentable over Cruse, in view of U.S. Patent No. 5,819,232 to Shipman. As explained below, however, Applicants respectfully submit that the claimed invention is patentably distinct from Cruse and Shipman, taken individually or in combination. Accordingly, Applicant respectfully traverses the rejections of the claims as being unpatentable over Cruse in view of Shipman. In view of the following remarks, Applicant respectfully requests reconsideration and allowance of all of the pending claims of the present application. Alternatively, as the remarks presented herein do not raise any new issues or introduce any new matter, Applicant respectfully requests entry of this correspondence for purposes of narrowing the issues upon appeal.

Again, Cruse provides an inventory management/control system that enables point of use replenishment coupled with available centralized oversight. As disclosed, when inventory reaches a pre-set level (from a two-bin/kanban arrangement), a code representative of the particular stock is forwarded to a central database repository. From the central database repository, a purchase order can be sent to a pre-identified supplier such that the supplier can thereafter ship the stock directly to the point of use. A receipt and/or a code indicative of the new stock can then be entered into the system. As also disclosed, centralized authority can be granted access to the central database repository to enable review, modification and configuration of all or a part of the total inventory situation.

The claimed invention of independent Claim 1 provides a method for managing an inventory of a product of a supplier that is provided to a customer. As recited, the method includes creating an open purchase order including a minimum and a maximum of acceptable inventory of the product. A supply amount of the product is stored in a storage unit that is remote from the supplier and proximate to the customer (from which additional amounts of the

product can be provided to the customer). A product inventory count for the product is maintained by decreasing the product inventory count as the customer ships out the product, and conversely increasing the product inventory count as the customer receives additional amounts of the product. As also recited, the product inventory count is monitored at a supplier location (remote from the customer location) such that the supplier is capable of detecting when product inventory counts approach the respective lower limits by falling below a notification level greater than the lower limit and between the lower limit and the upper limit.

In contrast to the claimed invention, as previously explained and still conceded by the final Official Action, Cruse does not teach or suggest monitoring inventory of a consumer at a supplier location (remote from the customer location) such that the supplier is capable of detecting when product inventory counts approach a lower inventory limit. Nonetheless, the final Official Action now alleges that Shipman teaches this feature of the claimed invention, and that it would have been obvious to one skilled in the art to modify Cruse with the teachings of Shipman to disclose the claimed invention. Applicants respectfully disagree.

Newly cited Shipman discloses an apparatus and method for inventory control of a manufacturing or distribution process. As disclosed, the apparatus and method use a computer model to determine a demand forecast by using an optimized historical weighting factor, and determine an upper and a lower bound of a planned inventory by explicitly accounting for customer-order lead time. The apparatus and method then compute a production schedule at predetermined intervals to maintain an actual inventory between the upper and lower bounds of the planned inventory.

Similar to Cruse, newly cited Shipman also does not teach or suggest monitoring inventory of a consumer at a supplier location (remote from the customer location) such that the supplier is capable of detecting when product inventory counts approach a lower inventory limit, as recited by the claimed invention. Shipman does appear to disclose monitoring inventory at a supplier location. But in contrast to the claimed invention, Shipman does not teach or suggest that the monitored inventory is that of a customer. Instead, Shipman discloses the supplier monitoring its own inventory such that the supplier can calculate predicted inventory for a plurality of future time intervals. The calculated inventory is then calculated and compared to

upper and lower bounds to determine if a production schedule needs to be increased or decreased to maintain the supplier's inventory for those future time intervals within the respective bounds.

Accordingly, not only does Shipman fail to teach or suggest monitoring customer inventory at a supplier location, but Shipman also fails to teach or suggest that monitoring inventory to detect when current inventory approaches a lower limit by falling below a notification level greater than the lower limit and between the lower limit and the upper limit, as also recited by the claimed invention. In this regard, instead of monitoring inventory (maintained inventory) to detect when the current inventory falls below a threshold, Shipman monitors inventory to detect when a future predicted inventory falls below a threshold; and determines a future production schedule based thereon. And instead of detecting when the future inventory falls below a threshold greater than a lower limit and between lower and upper limits, similar to the notification level of the claimed invention, Shipman merely detects when the future inventory is below the lower bound or above the upper bound.

Applicants therefore respectfully submit that the claimed invention of independent Claim 1, and by dependency Claims 2-10 and 59, is patentably distinct from Cruse and Shipman, taken individually or in combination. Applicants also respectfully submit that the claimed invention of independent Claim 11 recites subject matter similar to that of independent Claim 1. For example, like independent Claim 1, independent Claim 11 recites that the supplier and/or second processing unit disposed proximate the supplier is capable of monitoring the product inventory count such that the supplier and/or second processing unit is capable of detecting product inventory counts that approach a lower limit by falling below a notification level greater than the lower limit and between the lower limit and the upper limit. Also like independent Claim 1, independent Claim 11 recites a storage unit remote from the supplier and proximate the customer, where the supplier provides product to the customer from a supply amount of the product stored in the storage unit. Applicants therefore also respectfully submit that independent Claim 11, and by dependency Claims 12-20 and 60, is patentably distinct from Cruse and Shipman, taken individually or in combination, for at least the same reasons given above with respect to independent Claim 1.

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For at least the reasons given above, Applicants respectfully submit that Claims 1-9, 11-19, 59 and 60 are patentably distinct from Cruse and Shipman, taken individually or in combination. As such, Applicants further respectfully submit that the rejection of Claims 1-9, 11-19, 59 and 60 as being unpatentable over Cruse in view of Shipman is overcome.

CONCLUSION

In view of the remarks presented above, Applicants respectfully submit that the present application is in condition for allowance. As such, the issuance of a Notice of Allowance is therefore respectfully requested. In order to expedite the examination of the present application, the Examiner is encouraged to contact Applicants' undersigned attorney in order to resolve any remaining issues. As explained above, no new matter or issues are raised by this Reply, and as such, Applicant alternatively respectfully requests entry of this Reply for purposes of narrowing the issues upon appeal.

It is not believed that extensions of time or fees for net addition of claims are required, beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 CFR § 1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 16-0605.

Respectfully submitted,



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